REMARKS

In the Office Action, the Examiner objects to certain aspects of independent claim 1 and rejects for obviousness each of the pending claims. Reconsideration of the application in light of the above amendments and the following remarks is respectfully requested.

Claim Objections

At page 2 of the Office Action, the Examiner objects to independent claim 1 on grounds of redundant wording and lack of antecedent basis with respect to certain terms. In response, applicant has amended the language of independent claim 1 to remove the wording considered by the Examiner to be redundant and address any potential issues of insufficient antecedent basis. It is respectfully submitted that these amendments are merely clarifying amendments and do not narrow the scope of independent claim 1 or its dependent claims.

Rejection of Claims under 35 U.S.C. §103

At page 3 of the Office Action, the Examiner rejects independent claim 1 as being unpatentable for obviousness over U.S. Patent No. 4,674,044 to Kalmus ("Kalmus") in view of "A European Market for Electricity: Monitoring European Deregulation 2" by Bergman et al. ("Bergman"), "Disclosed Prior Art" (for which the Examiner cites to page 1 of the present specification), and "Introduction to

Futures and Options" by Spence ("Spence"). Applicants respectfully traverse this rejection for at least the following reasons.

Contrary to the Examiner's contention, the subject matter of claim 1 is not rendered obvious by the cited combination of references for at least the reasons that those references do not, even collectively, teach all the elements of independent claim 1, and because it would not have been obvious to combine the cited references in the manner suggested by the Examiner. For example, independent claim 1 as amended recites:

> using the trading system computer apparatus to:
>
> * * *
>
> compare all offers for sale and bids for purchase made in a single order entry period at the end of the order entry period;
>
> * * *
>
> to record for each order entry period at least one benchmark trading rate representing a price at which transactions involving matched offers for sale and bids for purchase are executed without review of said price by traders that submitted the matched offers for sale and bids for purchase;

It is respectfully submitted that the cited prior art, even taken collectively, does not disclose this combination of claim elements. Specifically, with respect to the above-quoted claim language that recites "to compare all offers for sale and bids for purchase made in a single order entry period at the end of the order entry period," even the Examiner apparently acknowledges that none of Kalmus, Bergman, or Spence disclose this feature. See Office Action at page 6, ll. 14-19. Moreover, with respect to the above-quoted claim language that recites "to record for each order entry period at least one benchmark trading rate," contrary to the Examiner's contention, Spence's "agreed reference benchmark" does not in any way correspond to the claimed "benchmark trading rate," when properly understood.

In particular, as noted in Spence, an interest rate swap involves two rates: (i) a variable or floating rate such as LIBOR; and (ii) a fixed rate, which also represents the price of the swap and is used to calculate the buyer's cashflow payments on each pre-specified date on which cashflow exchanges are scheduled to be made pursuant to the terms of the swap. On each such date, the variable rate is compared to the fixed rate at which the transaction was executed to determine whether the seller must make a cash payment to the buyer or vice versa.

As recognized by the Examiner, the "agreed reference benchmark" of Spence refers to the swap's variable rate (e.g., LIBOR). By contrast, the

"benchmark trading rate" of the claim refers to the price at which the transaction is conducted which, in the case of a swap, is the fixed rate. Thus, although both Spence and the claim use the term "benchmark," they in fact are referring to totally different things. Applicants have amended claim 1 to clarify this aspect of the claimed invention and further distinguish it over the cited prior art.

Applicants also respectfully traverse the Examiner's contention that it would have been obvious to modify the teachings of Bergman, applicable to the trading of electricity, to incorporate Spence's "agreed reference benchmark." Spence describes basic aspects of interest rate swaps, a wholly different market than electricity. Thus, even assuming that Spence's reference to "an agreed reference benchmark" could be equated to the claimed "benchmark trading rate," which it cannot, there is simply no reason that one of ordinary skill would apply that concept from Spence to electricity trading described by Bergman, which does not involve and has no need for such "an agreed reference benchmark."

For at least the reasons stated above, it is respectfully submitted that independent claim 1 is not unpatentable for obviousness in view of the cited prior art. Furthermore, because each of claims 2-100 depends directly or indirectly from independent claim 1, it is respectfully submitted that each of these dependent claims is similarly allowable for at least the reasons described above in connection with independent claim 1. New independent claims 101-102 have also been added and are believed allowable over the prior art.

In light of the above, it is respectfully submitted that the application is in condition for allowance. Should the Examiner have any questions regarding this response or feel that a telephonic or in-person interview with Applicants' representatives would be useful to clarify or expedite matters, he is invited to call the undersigned at the number provided below.

If there are any questions regarding this amendment or the application in general, a telephone call to the undersigned would be appreciated since this should expedite the prosecution of the application for all concerned.

If necessary to effect a timely response, this paper should be considered as a petition for an Extension of Time sufficient to effect a timely response, and please charge any deficiency in fees or credit any overpayments to Deposit Account No. 05-1323 (Docket #102636.58039US).

Respectfully submitted,

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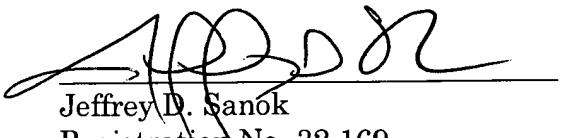

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